

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)	
WATER COMPANY FOR AN ADJUSTMENT OF)	CASE NO. 2012-00520
RATES SUPPORTED BY A FULLY FORECASTED)	
TEST YEAR)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Pursuant to 807 KAR 5:001, Lexington-Fayette Urban County Government ("LFUCG") shall file with the Commission no later than May 1, 2013, an original, one paper copy and one electronic copy of the following information, with a copy to all parties of record. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

LFUCG shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which LFUCG fails or refuses to furnish all or part of the requested information, it shall provide

a written explanation of the specific grounds for its failure to completely and precisely respond.

1. In its brief in Case No. 2012-00096,¹ LFUCG stated that Central Division customers should not be required to pay for the costs related to the Northern Division Connection Project.

a. State whether the LFUCG continues to maintain this position. Explain.

b. If Central Division customers should not be required to pay for the costs related to the Northern Division Connection Project, describe how Kentucky-American should recover the costs of the Northern Division Connection Project.

c. Assume that the Commission determined that the costs related to the Northern Division Connection Project should be recovered through a surcharge on Northern Division customers. Describe how such a surcharge should be designed.

2. State whether the LFUCG supports the continued use of uniform rates for Kentucky-American customers, regardless of the division that serves the customer. Explain.

3. In its brief in Case No. 2012-00096, LFUCG stated: "Given KAWC's knowledge of the problems with the Owenton system at the time of its acquisition and its failure to mention KRS II as a treatment option at the time it was being approved by the Commission, it would be within the discretion of the Commission to relieve the ratepayers of the burden of paying for this proposal."² State LFUCG's factual and legal

¹ Case No. 2012-00096, *Application of Kentucky-American Water Company for a Certificate of Public Convenience and Necessity Authorizing Construction of the Northern Division Connection* (Ky. PSC May 31, 2012).

² LFUCG Brief at 3.

theory for disallowing rate recovery of the costs related to the Northern Division Connection Project.

4. Provide all correspondence, electronic mail messages, and any other written communication between Kentucky-American and LFUCG for the period from January 1, 2009 to December 31, 2012 regarding the provision of billing and collection services.

5. Refer to Direct Testimony of William O'Mara at 4. Mr. O'Mara refers to conversations between Kentucky-American officials and LFUCG officials.

a. Identify the person or persons who represented Kentucky-American in its discussions with LFUCG regarding Kentucky-American's provision of billing and collection services.

b. List the date of each conversation between Kentucky-American officials and LFUCG officials regarding Kentucky-American's provision of billing and collection services and the persons involved in each conversation and describe the contents of each conversation.

6. Provide all notes, memoranda, correspondence, and other written documents taken or prepared during these conversations or which concerned these conversations.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

DATED: APR 17 2013

cc: Parties of Record

Honorable David J. Barberie
Managing Attorney
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

Monica Braun
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

Janet M Graham
Commissioner of Law
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

Jennifer B Hans
Assistant Attorney General's Office
1024 Capital Center Drive, Ste 200
Frankfort, KENTUCKY 40601-8204

Honorable Lindsey W Ingram, III
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

Honorable Iris G Skidmore
415 W. Main Street
Suite 2
Frankfort, KENTUCKY 40601

Honorable David Edward Spenard
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204